Decline in capital formation

†1423. SHRI KALRAJ MISHRA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government's attention has been drawn to the news-item captioned "Pichhle Paanch Varsho Mein Punji Nirman Mein Giravat Aayee" which appeared in Hindustan dated 8th October, 2002;

(b) if so, whether this decline is due to increasing foreign competition and open import;

(c) what type of positive steps Government propose to take to raise capital formation; and

(d) whether Government would take some concrete steps to upgrade domestic industries?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir.

(b) to (d) The on-going economic reforms are expected to foster competition, enhance efficiency and promote capital formation and growth in the economy. The gross domestic capital formation as a proportion of Gross Domestic Product at current market prices declined marginally from 24.5 per cent in 1996-97 to 24.0 per cent in 2000-01. While import regime has been liberalised over the last five years, empirical data on imports do not suggest any surge in imports following such liberalisation. The trends in the economy are under constant review and policy measures are undertaken as and when necessary.

Waiver of interest on farmers loan

†1424. SHRI KALRAJ MISHRA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government propose to waive interest on the loans taken by the farmers due to drought;

(b) if so, whether any special criteria have been fixed in this regard;

(c) if not, the reasons therefor; and

(d) the amount involved in case Government provide the said relief

†Original notice of the question was received in Hindi.

sive relief package. In accordance with which the Reserve Bank of India while reiterating its extant guidelines, has in addition, advised all Scheduled Commercial Banks to extend the following additional relief to the farmers affected by drought, in the districts notified by the State Governments of the drought affected States:

(i) There will be no recovery of any amount either by way of principal or interest during the current financial year in respect of Kharif crop loan.

(ii) The principal amount of crop loan will be converted into term loan and will be recovered over a period of minimum five years in the case of small and marginal farmers and four years in the case of other farmers.

(iii) Interest due in the current financial year on crop loan will not be recovered. No interest will be charged on this.

Fake currency notes

1425. SHRI BACHANI LEKHRAJ: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the circulation of fake currency notes is increasing in the country;

(b) if so, the value of fake currency detected by the Reserve Bank of India during the last two years and total value of currency in circulation as on 31st October, 2002.

(c) whether the economy of the country has been affected adversely on this account; and

(d) if so, the steps taken by Government in this direction?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) Information compiled by the Reserve Bank of India (RBI) reveal that there has been a marginal increase in detection of fake currency during 2001-02 as compared to 2000-01.

(b) and (c) The total value of fake currency detected at RBI offices and bank branches during last two years, 2000-2001 and 2001-2002 amounted to Rs. 3.29 crores and Rs. 3.37 crores, respectively. The total value of currency notes in circulation in October, 2002 is estimated to be Rs. 2,56,811 crores. Considering the ratio of fake currency detected against that of the currency notes in circulation, there is no apprehension of any significant impact of fake currency circulation on our economy.